

MINUTES

MONTANA HOUSE OF REPRESENTATIVES 57th LEGISLATURE - REGULAR SESSION JOINT APPROPRIATIONS SUBCOMMITTEE ON LONG RANGE PLANNING

Call to Order: By **CHAIRMAN MATT MCCANN**, on February 8, 2001 at 8:00 A.M., in Room 350 Capitol.

ROLL CALL

Members Present:

Rep. Matt McCann, Chairman (D)
Rep. Dave Kasten (R)
Sen. Jon Tester (D)
Rep. Steve Vick (R)

Members Excused: Sen. Bob Keenan, Vice Chairman (R)
Sen. Tom A. Beck (R)

Members Absent: None.

Staff Present: Jane Hamman, OBPP
Andrea Hyatt, Committee Secretary
Brian McCullough, Legislative Branch
Christi Tyson, OBPP

Please Note: These are summary minutes. Testimony and discussion are paraphrased and condensed.

Committee Business Summary:

Hearing(s) & Date(s) Posted: HB 5, 2/5/2001; HB 14,
2/5/2001

Executive Action:

NOTE: The reference book is: Governor's Budget, State of Montana, Fiscal Years 2002-2003, Long Range Building Program, Volume 2

CHAIRMAN MCCANN opened the meeting on **DEPARTMENT OF TRANSPORTATION**.

Proponents' Testimony:

John Blacker, Administrator-Maintenance Division, Department of Transportation (DOT). **Mr. Blacker** informed the committee that

facilities is administered under the Maintenance Division. He provided two handouts that are updates to Volume 2: a) Maintenance, Repair & Small Proj. (Request No. 538) **EXHIBIT(jlh32a01)** and b) Construct Equipment Bldgs, Statewide (Request No. 540) **EXHIBIT(jlh32a02)**. He explained that one is a reduction in their program and the other is a change in priority due to a fire at one of their facilities. He also provided pictures of completed projects that were approved by the committee during the last session. **EXHIBIT(jlh32a03)** He stated that most of their facilities are equipment storage sheds that are functional and low maintenance. They did complete one new building - the Kalispell Division Headquarters.

{Tape : 1; Side : A; Approx. Time Counter : 32-520}

John Blacker reviewed their project for **MAINTENANCE, REPAIR, & SMALL PROJECTS, PAGE. 149**; which has been updated, see **EXHIBIT 1**. He explained this is used for handling everyday upkeep for their 600+ facilities. The most common maintenance is roof repairs, upgrade garage doors, windows, insulation and a few remodels. They will remodel by removing or extending a wall to accommodate the newer, larger equipment rather than the expense of a new building. The new sheet handed out (**EXHIBIT 1**) reflects a \$500,000.00 reduction, resulting in a request of \$1.3 million. Their buildings represent over 1,500,000 square feet statewide. The last session passed SB 333 which was the DOT taking over paved secondary highways; this caused a 28% increase to their total program. They previously maintained 19,500 miles of road and now maintains 25,000 miles. Rather than building new facilities, they used the existing facilities and they are requesting funds to upgrade or remodel. Some of the existing sand sheds are now equipment storage sheds; the equipment goes inside, the sand stays outside.

Opponents' Testimony: None.

Questions from Committee Members and Responses:

CHAIRMAN MCCANN questioned the reduction. **Mr. Blacker** responded the reduction comes from the department managing its cash flow. There was less gas bought and therefore less gas tax funds were received. During the last session, HB 540 reduced the vehicle taxes; resulting in the department losing approximately \$7 million. **SEN. TESTER** questioned that if they are down about \$10 million, where will the \$9.5 come from. **John Blacker** responded: \$4 million annually out of the maintenance program budget and \$2 million out of the state funded construction program. **CHAIRMAN MCCANN** questioned the amount of their request from the last session. **Larry Murolo, Facilities Manager**, stated approximately

\$1.35 to \$1.8 million. **CHAIRMAN MCCANN** questioned if they had a list of projects they will address. **Mr. Blacker** responded that most of the projects are on a reactionary status; a roof goes bad, etc. They do know that some of the sand houses need to be remodeled and will add a single stall to some existing garages. **SEN. TESTER** questioned the purchase of 94 Tandem plow trucks etc. and the \$6.2 million equipment facility modifications & new buildings and do they have a plan on locations. **Mr. Blacker** responded that figure is for a five year program; a portion of that is included in this request. **REP. KASTEN** questioned if those buildings are heated after remodeled. **Mr. Blacker** responded that most are for cold storage and only a few are insulated. **CHAIRMAN MCCANN** questioned the purchase of the 94 Tandem plow trucks, loaders etc., were they recently bought or is it existing equipment. **Mr. Blacker** stated these were bought after the passage of SB 333. The department builds their own trucks, they have about 40 left to complete. They buy all the components from local dealers and assemble the trucks on site. It costs them \$81,000.00 per vehicle (including overhead and cost of building them); his counterparts in Washington and Colorado are using the same specifications for trucks and are getting them out of Detroit and Wisconsin and they pay \$128,000.00 each, delivered. The department buys the same truck, the same components and buys them from locals and are supplying jobs for Montanans and are able to customize the trucks for their needs. They build four trucks every two weeks. **REP. KASTEN** questioned the impact of taking over the secondary roads. **Mr. Blacker** responded that they took over the secondary roads in July of 2000, whereas the bill stated January 2001. In doing this, they could repair some roads immediately and preserve them for another ten years or so and they did not want to make the change in the middle of winter maintenance. The increase in the budget was only 17%; their biggest challenge was hiring people with the right credentials, a CDL license (commercial drivers license).

Proponents' Testimony:

John Blacker reviewed the project **CONSTRUCT EQUIPMENT BUILDINGS, STATEWIDE, PAGE 152**, which has been updated in the handout (**EXHIBIT 2**). They had to drop some projects and add Broadus because the shop burned down last fall; they have received insurance payments. Their cost is an average of \$65 a square foot to build, finished. The list below Broadus has been dropped at this time. He discussed each project. The Manhattan project will be a new site to service the secondary roads. This is an area where it is in between existing sites and therefore a need to put in a building.

Opponents' Testimony: None.

Questions from Committee Members and Responses:

REP. VICK questioned the process on how they dispose of their buildings. **Mr. Blacker** stated that on abandoned sites, by statute, they will put the building up for sale through a public auction process, unless, they do trades among public entities. He discussed the various alternatives in detail. The sales they receive from their properties goes back in to state special revenue account, gas tax fund. **REP. VICK** stated his concern that the private sector should have an opportunity to bid on those buildings. **Mr. Blacker** explained in detail how a swap is handled. **CHAIRMAN MCCANN** questioned how they determine which communities receive replacement buildings. **Mr. Blacker** stated they have their maintenance managers provide nominations and then the facility manager does a site inspection.

{Tape : 1; Side : B; Approx. Time Counter : 0-78}

MR. BLACKER CONTINUED HIS RESPONSE

He stated that the portion of the list that was below Broadus, although it has been dropped, is a list of locations that are eligible for a facility upgrade. **CHAIRMAN MCCANN** questioned if the appropriation for the last session. **Mr. Blacker** responded it was \$3.2 million. Discussion followed.

Brian McCullough provided a handout of yellow pages entitled "Status Report - Long Range Building Projects".

EXHIBIT (j1h32a04).

{Tape : 1; Side : B; Approx. Time Counter : 118}

Mr. Blacker reviewed their **PAST PROJECTS, PAGE C-17** . **Mr. Blacker** reviewed each project and updated the status.

{Tape : 1; Side : B; Approx. Time Counter : 168}

Questions from Committee Members and Responses:

SEN. TESTER questioned if left over dollars is reverted back in to special revenue accounts. **Mr. Blacker** responded it would revert back in to the highway revenue account.

CHAIRMAN MCCANN closed the hearing on the **DEPARTMENT OF TRANSPORTATION**.

CHAIRMAN MCCANN opened the hearing on the **DEPARTMENT OF HEALTH AND HUMAN SERVICES (DPHHS)**.

{Tape : 1; Side : B; Approx. Time Counter : 192-351}

Proponents' Testimony:

Paul Haskell, Facilities Service Manager for DPHHS, discussed their projects and funding sources.

Mr. Haskell discussed their project for **LICENSURE COMPLIANCE, MMHNCC, PAGE 39**. He described the project to provide refrigeration components for air handlers at the Montana Mental Health Nursing Care Center.

Opponents' Testimony: None.

Questions from Committee Members and Responses:

REP. KASTEN questioned the consultant services. **Mr. Haskell** responded it was the engineering fee.

Proponents' Testimony:

Paul Haskell discussed their project **PAVING & IMPROVEMENTS AT EASTMONT, PAGE 49**.

Opponents' Testimony: None.

Questions from Committee Members and Responses:

SEN. TESTER questioned the paving and when it was originally paved. **Mr. Haskell** responded sometime in the 70's. **Jane Hamman** questioned that there was some discussion in the HB 2 sub-committee that this facility might be closed and what is the status and if it would close, would they still do this work. **Mr. Haskell** did not have an answer, it is still being discussed and they probably would not do the work. Discussion followed. **Jane Hamman** provided some history background.

{Tape : 1; Side : B; Approx. Time Counter : 353}

PAUL HASKELL discussed their project on the **MONTANA VETERAN'S HOME IMPROVEMENTS, PAGE 165**. This project includes a construction of a loading dock, repaving and reroofing. They are reducing the project by eliminating the loading dock. They presented an amendment to reflect that change. **EXHIBIT(j1h32a05)** He discussed the remaining projects.

Opponents' Testimony: None.

Questions from Committee Members and Responses:

CHAIRMAN MCCANN questioned the location of the paving project. **Mr. Haskell** responded Columbia Falls. **Brian McCullough** questioned the maintenance plan for paved areas. **Mr. Haskell** responded that will be his next request.

{Tape : 1; Side : B; Approx. Time Counter : 495-520}

Proponents' Testimony:

Mr. Haskell discussed their project **EASTERN MONTANA VETERAN'S HOME IMPROVEMENTS**, page 168.

{Tape : 2; Side : A; Approx. Time Counter : 6-204}

MR. HASKELL CONTINUED DESCRIBING THE PROJECT

Opponents' Testimony: None.

Questions from Committee Members and Responses:

SEN. TESTER questioned the cost for the dining area. **Mr. Haskell** responded it would be approximately \$500,000.00 and includes more than just the construction of the site. **Jim Whaley**, Architecture & Engineering (A&E), provided more detail background. **SEN. TESTER** questioned the number of bids received. **Jim Whaley** responded: four. Further discussion followed. **SEN. TESTER** questioned when the building was originally constructed. **Mr. Haskell** responded: 1995. **CHAIRMAN MCCANN** questioned the amount of funding remaining. **Tom O'Connell**, A&E, responded. **CHAIRMAN MCCANN** questioned the amount of revenue coming in for this account. **Mike Hanshew**, Administrator, Senior and Long Term Care Division (SLTC), stated they administer both of the veterans' homes. He responded that 11.11% of the cigarette tax produces approximately \$1.3 million annually; it is projected to decrease based on the projected tobacco consumption. They use the fund for both operations and construction. He described further the current funds available and their search for alternative funding for the future when the tobacco revenue will decrease. **Tom O'Connell** added that A&E does not use funds out of A&E's tobacco tax funding since SLTC already has tobacco tax funds. **SEN. TESTER** questioned the site location and extra work needed to bring it up to par. **Tom O'Connell** provided the background history of the site selection.

{Tape : 2; Side : A; Approx. Time Counter : 205-371}

Mr. Haskell reviewed their past projects and updated their status; he referred to B-6, C-14 thru C-16. **(EXHIBIT 1)** **Jim Whaley** provided background information on various projects. **SEN. TESTER** questioned the name of the architect who did the work on the project where the wood was green and buckling. **Mr. Haskell** responded: Taylor Associates. **SEN. TESTER** questioned why the architect was not held responsible for poor construction and can they be held responsible for poor construction. **Jim Whaley** responded in detail the problems and that they are in the process now of determining the damages so they can assert a claim against the contractor. **Mr. Whaley** stated he would update the committee of their results during the next biennium. **SEN. TESTER** stated his frustration of not being able to make the parties responsible for the defaults to be held accountable for their poor service. **Mr. Haskell** agreed and stated that they have to take the responsible low bidder by statute, regardless of their work ethics. **SEN. TESTER** stated that "responsible" is the key word. **Mr. Haskell** stated that "responsible" means they accompany their bid with an appropriate bond, they sign the contract within certain ... contract rather than previous performance. **CHAIRMAN MCCANN** questioned if the committee needed to address that. **REP. KASTEN** stated his concern also.

{Tape : 2; Side : A; Approx. Time Counter : 372-515}

Tom O'Connell discussed the process of low bid and discussed the legal problems in connection with Warm Springs and the expense involved. It did involve a well known contractor, it involved an architect and there was still a problem. Sometimes it can be a project manager that is the problem not the company. He is not sure what the final answer is to resolve this problem. Regardless of what decision they make, there will always be problems on certain projects. **CHAIRMAN MCCANN** stated that if the committee can do anything to help they will do that. **Mr. Haskell** stated that he would like any direction the committee would offer. **CHAIRMAN MCCANN** stated he would look for direction from A&E. **Tom O'Connell** thanked the committee for their past support in passing committee bills that have streamlined the process.

{Tape : 2; Side : B; Approx. Time Counter : 17-68}

Mr. Haskell continued his review of past projects and their status.

{Tape : 2; Side : B; Approx. Time Counter : 69-331}

**CHAIRMAN MCCANN HAD TO ATTEND ANOTHER MEETING AND REQUESTED
REP. KASTEN TO TAKE OVER UNTIL HIS RETURN**

Mr. Haskell continued his review of past projects; discussion followed and questions were answered.

REP. KASTEN closed the hearing on the **DEPARTMENT OF HEALTH AND HUMAN SERVICES (DPHHS)**.

REP. KASTEN opened the hearing on the **DEPARTMENT OF ADMINISTRATION**.

{Tape : 2; Side : B; Approx. Time Counter : 343-429}

Jim Whaley, A&E, explained the following projects are generally projects that are statewide appropriations and these funds are spent for all agencies, including the University system.

Proponents' Testimony:

Jim Whaley, A&E, reviewed the project **LIFE SAFETY PROJECTS, STATEWIDE, PAGE 21**.

Opponents' Testimony: None.

Questions from Committee Members and Responses:

SEN. TESTER questioned when they have bought a system that does not function as intended, what is their recourse. **Jim Whaley** responded that they were involved in a class action suit, the manufacturer provided replacement sprinkler heads and they are following recovery with the manufacturer. **SEN. TESTER** questioned where those recovery funds would go. **Jim Whaley** stated it would be returned to the Long Range Building Program account to be re-appropriated during the next session. **REP. KASTEN** questioned if this request is addressed annually. **Jim Whaley** responded it is a biennial request. Discussion followed.

{Tape : 2; Side : B; Approx. Time Counter : 430-467}

Proponents' Testimony:

Jim Whaley, A&E, reviewed the project **ROOF REPLACEMENT OR REPAIR-STATEWIDE, PAGE 25**.

Opponents' Testimony: None.

Questions from Committee Members and Responses:

SEN. TESTER questioned why the Department of Military Affairs armories are not included in their budget. **Jim Whaley** responded that these are the State's responsibility to take care of armories statewide; repair and maintenance are the State's responsibility.

{Tape : 2; Side : B; Approx. Time Counter : 468-516}

Proponents' Testimony:

Tom O'Connell, A&E, reviewed the project, **PROJECT LITIGATION FUND, PAGE 45**. He discussed the need for this project to assist in defending A&E from a prosecuting contractor or for A&E to prosecute a contractor.

{Tape : 3; Side : A; Approx. Time Counter : 0}

He then provided history background on the need and use of these funds and how they attempt to resolve problems before they get to the point for the need of going to litigation. He discussed an example of litigation in regards to Wage Rates and the Department of Labor. They received a claim that A&E did not use the correct wage rate for a specific job; they used the rate that had been used for 15 years for this type of job. Department of Labor received the claim and stated the claimant was correct and that A&E had to pay the difference. Department of Labor should have informed A&E of the correct wage rate prior to going out to bid. He discussed the various alternatives they have for resolving the problem and the process they have to follow to hire outside counsel. He discussed the Warm Springs situation and their plans to pursue litigation.

Opponents' Testimony: None.

Questions from Committee Members and Responses:

SEN. TESTER questioned when pursuing litigation against a contractor who did not do their job, will A&E recoup the funds expended. **Mr. O'Connell** stated they have filed a counter claim; and there is the possibility they will be awarded the attorney fees. **SEN. TESTER** questioned if the Attorney General's Office plays a role in this. **Mr. O'Connell** responded that the Agency Legal Services is through the Attorney General's Office. A&E had requested their services in regards to Warm Springs, but they did not have the people or time available to assist A&E. **Jane Hamman** informed the committee that the budget recommends an expansion of the Agency Legal Services for just this problem; other agencies have been turned down this past year because they did not have enough staff attorneys to handle the State workload. **SEN. TESTER** questioned that they are now projecting to increase the Attorney

General's Office so they will have enough staff attorneys. **Jane Hamman** responded that it would at least enable them to accommodate a few more requests. **SEN. TESTER** questioned the setting of wage rates and how the Department of Labor is involved in determining those rates. **Tom O'Connell** responded that they have contacted the Department of Labor for choosing the correct wage rate but they do not give direction as to which would be the correct wage. If they chose the incorrect wage rate and a claim is made, the department then has to pay the difference in the correct wage rate to each of the employees and a \$25.00 a day penalty **SEN. TESTER** commented that seems an impractical process and questioned how this could be rectified. Discussion followed.

{Tape : 3; Side : A; Approx. Time Counter : 235}

CHAIRMAN MCCANN RETURNED FROM HIS MEETING

SEN. TESTER questioned what would happen if the Department of Labor made the decision as to the wage rate and yet someone comes back and makes a claim otherwise, what is the recourse. **Mr. O'Connell** commented that if the Department of Labor knows the wage rate when they receive a claim, then they should know the correct wage rate to assign before the bidding process. **SEN. TESTER** agreed that is a good point. **Brian McCullough** suggested that the committee have a presentation from the Department of Labor.

{Tape : 3; Side : A; Approx. Time Counter : 297}

Jim Whaley informed the committee that the Historical Society project will be skipped over at this time since **Mr. Olsen** had to attend another meeting.

{Tape : 3; Side : A; Approx. Time Counter : 302}

CHAIRMAN MCCANN questioned the balance of the existing litigation account. **Mr. Whaley** responded that from the original 1993 appropriated funds of \$200,000.00, they have a balance of approximately \$13,000.00-\$15,000.00.

{Tape : 3; Side : A; Approx. Time Counter : 310-519}

Proponents' Testimony:

Bill Bayless, Administrator, General Services Division, reviewed the project for **CAPITOL COMPLEX LAND ACQUISITION, PAGE 160.** He discussed the use of the funds for purchasing real estate around the capitol complex. The funding source is the Land Grant fund statute of 1889; he explained its background.

Opponents' Testimony: None.

Questions from Committee Members and Responses:

SEN. TESTER questioned the 50 sections of land he identified in paragraph 12. **Mr. Bayless** responded that most of the sections are timber and that the primary source of these funds are from timber sales. **SEN. TESTER** questioned where the last biennium funds were spent. **Mr. Bayless** responded that the majority of those funds were used for the renovation of the capitol. **CHAIRMAN MCCANN** questioned the annual revenues received. **Mr. Bayless** responded it is between \$600-900,000.00 per year, it varies with the sales. **Tom O'Connell** and **Mr. Bayless** stated that the revenues should go up this next biennium from the timber sales due to the fires of last summer. **Jane Hamman** informed the committee that the Martz budget rolled through that timber sale harvest money in to all agency budgets with a general fund savings. So all the other sub-committees have taken global action to accept that. It is a one time burned timber revenue; apart from the \$600-900,000.00 average annual expected for the capitol complex. **CHAIRMAN MCCANN** questioned if campus agency's would receive that increase within their department budget. **Jane Hamman** clarified that the fire timber funds were used to pay the agency rent on the capitol complex and they took a decrease in the general fund across the state and used that as a one time. When the next session convenes, the agency's rent will go way up compared to what they had. They made this decision based on that this is a unique circumstance and the savings were needed to save some program reductions. **Tom O'Connell** provided further background information on the spending of this fund. **SEN. TESTER** questioned the size of the AMA building he discussed and an approximate cost. **Mr. Bayless** responded that he assumed it was multiple lots and it would be based on an appraisal.

{Tape : 3; Side : B; Approx. Time Counter : 0}

MR. BAYLESS CONTINUED HIS RESPONSE

CHAIRMAN MCCANN questioned if the funding remains here until needed and can it be moved. **Jane Hamman** responded that it remains in the account until needed and it cannot be moved. The Enabling Act requires that it be used specifically for the Capitol Complex. **SEN. TESTER** questioned that if the funds are required to stay here, yet the timber fire funds were distributed to the agencies. **Mr. Bayless** responded that those funds are for maintenance of the facilities; including debt service. Those funds are coming to them to perform those activities that they normally would collect rent from the agencies; then the general fund appropriation to those agencies will be less. Discussion followed.

{Tape : 3; Side : B; Approx. Time Counter : 44}

Jim Whaley reviewed the project to **CONSTRUCT THE DPHHS BUILDING, PAGE 203**. This project is being **WITHDRAWN** and is not being recommended by the Martz Administration.

{Tape : 3; Side : B; Approx. Time Counter : 62-519}

Proponents' Testimony:

Arnie Olsen, Director, Montana Historical Society, provided a handout of his written testimony, an organizational chart indicating the various services that are a part of the Society, a fact sheet of Unique Attributes of the Montana Historical Society, a fact sheet of the Current Montana Historical Society Building Numbers, and a fact sheet of the Montana Historical Society's Collections. **EXHIBIT(jlh32a06)** He commented that the Society had recently received the Bob Scriver collection (bronze sculptures); and that there has been only two collections of that magnitude that has been donated in the last 50-60 years. This one is worth approximately \$15 million. **Mr. Olsen** reviewed the handouts and provided detailed information of their needs and the importance of their current collections. He gave a power point presentation of the history of the Society.

{Tape : 4; Side : A; Approx. Time Counter : 0-26}

MR. OLSEN CONTINUED HIS PRESENTATION

Opponents' Testimony: None.

Questions from Committee Members and Responses:

CHAIRMAN MCCANN questioned that their funding source was tied to HB 16 and their square footage projection. **Mr. Olsen** responded yes to HB 16 and provided a handout outlining their projections. **EXHIBIT(jlh32a07)**

{Tape : 4; Side : A; Approx. Time Counter : 46-123}

Jim Whaley discussed the handout explaining the figures projected and options. **REP. KASTEN** questioned the projected time span until the new facility would be full and are they limiting what they will accept. **Mr. Whaley** responded it would be approximately 10-15 years and yes they have to limit the donations.

{Tape : 4; Side : A; Approx. Time Counter : 146-518}

Mr. Olsen responded to the limitations and provided a handout of a portion of the Montana Historical Society's Authorizing Statute. **EXHIBIT (j1h32a08)** He also provided a handout entitled "How and Why Do the Montana Historical Society's Collections Grow?". **EXHIBIT (j1h32a09)** He stated that many items are the archives from the State government and no funding comes with those archives. **SEN. TESTER** questioned the possibility of breaking up their collection and placing them in a different locations. **Mr. Olsen** responded. **SEN. TESTER** questioned how much they have projected as private donations. **Mr. Olsen** responded that there would be a feasibility study to determine the amount of funds that could be raised. **SEN. TESTER** questioned if the State can support this size of a building. **Mr. Olsen** stated they currently do not have a fee and they would consider adding one and other ways of bringing in a revenue. **REP. VICK** questioned if there is a way to determine what fees to charge and how it affects visitation to exhibits. **Mr. Olsen** responded, as a comparison, when the Fish, Wildlife and Parks implemented a fee system their visitation decreased 30%; over a period of 2-3 years it came back. **CHAIRMAN MCCANN** questioned the space in the Historical Society that is occupied by the Veterans. **Mr. Olsen** responded that it was part of an agreement dating back to the 1950's and that the majority of them will be moving to Ft. Harrison within this next year. **CHAIRMAN MCCANN** questioned about moving portions of their collections to another facility. **Mr. Olsen** responded they were open to all alternatives. **CHAIRMAN MCCANN** stated that the Historical Society is an important project and the committee would consider some type of funding for their planning grant. **REP. VICK** questioned a bill that involved funding from the bed tax for the Historical Society. **Mr. Olsen** explained the bill. He also stated his concern with the HB 16 funding source and the length of time before it would become effective.

{Tape : 4; Side : B; Approx. Time Counter : 0-47}

Jane Hamman informed the committee of the bed tax bill and its effect on the Historical Society. **Brian McCullough** questioned the storage of archives and if it was for both local governments and the legislature. **Mr. Olsen** explained they are required to keep historic records for both the legislature and counties. **Brian McCullough** questioned if the archive materials will be on microfiche and the State will be doing an imaging system and how this will effect the amount of space needed in the future. **Mr. Olsen** responded they had budget requests for that technology, but it was removed in the Martz budget.

{Tape : 4; Side : B; Approx. Time Counter : 48}

Proponents' Testimony:

Jim Whaley, reviewed the project **HAZARDOUS MATERIAL MITIGATION FUND**, PAGE 23.

Opponents' Testimony: None.

Questions from Committee Members and Responses:

CHAIRMAN MCCANN questioned the amount of their prior appropriation. **Mr. Whaley** responded it varied between \$400,000.00-\$800,000.00. **CHAIRMAN MCCANN** questioned if there were some immediate problems they were aware of now. **Mr. Whaley** responded there were two projects: Boulder and Warm Springs. **REP. VICK** questioned if they would use inmate labor. **Mr. Whaley** responded with examples of past projects.

{Tape : 4; Side : B; Approx. Time Counter : 106-114}

CHAIRMAN MCCANN informed **Mr. Olsen** that he will be notified when the committee will take Executive Action; that it will not be the day as it is now scheduled.

{Tape : 4; Side : B; Approx. Time Counter : 121-123}

CHAIRMAN MCCANN informed **Mr. Whaley** that they would address his current projects status report either tomorrow or Monday.

{Tape : 4; Side : B; Approx. Time Counter : 124-208}

Brian McCullough reviewed with the committee the goals met, yet to do, committee bills and the deadlines to meet.

Meeting adjourned.

A Memorandum of Understanding was executed on March 7, 2001. **EXHIBIT (j1h32a10)** The purpose of this Memorandum of Understanding is: "As a result of meetings with the Long-Range Planning Committee, and in lieu of committee sponsored legislation addressing certain provisions of law pertaining to Little Davis-Bacon rate application, etc.

ADJOURNMENT

Adjournment: 12:20 P.M.

REP. MATT MCCANN, Chairman

ANDREA HYATT, Secretary

MM/AH

EXHIBIT (j1h32aad)